

Salisbury, North Carolina
May 15, 2018

REGULAR MEETING

PRESENT: Mayor Al Heggins, Presiding; Mayor Pro Tem David Post; Council Members Karen Alexander , William Brian Miller and Tamara Sheffield; City Manager W. Lane Bailey; Deputy Clerk Emily Michael, and City Attorney F. Rivers Lawther, Jr.

ABSENT: City Clerk Diane Gilmore.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Heggins at 5:00 p.m. and she welcomed all visitors present.

PLEDGE OF ALLEGIANCE

Mayor Heggins led those present in the Pledge of Allegiance to the United States flag.

CHANGES TO THE AGENDA

Mayor Heggins noted the following changes to the Agenda:

Agenda item 5- Council to recognize Salisbury Firefighters and their efforts in rescuing two skydivers who were suspended 40 feet above ground in trees after their parachutes malfunctioned has been postponed.

Agenda Item 6 – Add Community Action Month Proclamation.

Agenda Item 11 - Update Report for the Suggested Rules of Procedure has been postponed to a special meeting to be held on June 19, 2018 at 4:00 p.m.

Add – Discussion regarding Mayor Heggins trip to Salisbury, England.

PROCLAMATION

Mayor to proclaim the following observances:

MENTAL HEALTH MONTH	May 03, 2018
PEACE OFFICERS' MEMORIAL DAY	May 15, 2018
NATIONAL POLICE WEEK	May 13 – 19, 2018
ARMED FORCES DAY	May 19, 2018
NATIONAL PUBLIC WORKS WEEK	May 20 – 26, 2018
VETERANS MEMORIAL DAY	May 28, 2018
COMMUNITY ACTION MONTH	May 2018

Mayor Heggins read the Police Officers' Memorial Day and National Police Week Proclamation, and she presented a copy to Police Chief Jerry Stokes.

Mayor Heggins then read the National Public Works Week Proclamation, and she presented a copy to Assistant Public Service Director Craig Powers and Public Service employees who were in attendance.

Mayor Heggins read the Community Action Month Proclamation, and she presented a copy to Salisbury-Rowan Community Action Agency Executive Director Rocky Cabagnot.

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the Regular meeting of April 17, 2018.

(b) Budget Ordinance Amendment – Community Development Block Fund

Adopt a Budget Ordinance Amendment to the FY2017-2018 budget in the amount of \$120,977 to appropriate income received in the Community Development Block fund.

ORDINANCE AMENDING THE 2017-2018 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME

(The above Ordinance is recorded in full in Ordinance Book No. 27 at Page No. 57 and is known as Ordinance 2018-22.)

(c) Resolution – Law Enforcement Mutual Assistance Agreements

Adopt a Resolution authorizing the Police Chief to enter into Law Enforcement Mutual Assistance Agreements with other law enforcement agencies.

RESOLUTION AUTHORIZING THE POLICE CHIEF TO ENTER INTO LAW ENFORCEMENT MUTUAL ASSISTANCE AGREEMENTS WITH OTHER LAW ENFORCEMENT AGENCIES

(The above Resolution is recorded in full in Resolution Book No. 15 at Page No. 18, and is known as Resolution 2018-12.)

(d) Sale of Surplus Property

Approve the sale of a surplus Chevrolet Caprice engine to Rowan County for \$3,200.

Thereupon, Councilmember Miller made a **motion** to adopt the Consent Agenda as presented. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

TRIP TO SALISBURY ENGLAND

Mayor Heggins opened the floor for discussion regarding her upcoming trip to Salisbury, England. She explained the City has a sister-city relationship with Salisbury, England, and she received an invitation to attend the Mayor Making Ceremony as a representative of the City. She noted concerns have been raised regarding the costs of her travel.

Councilmember Miller stated he requested the trip be placed on the Agenda, and he pointed out in the past Councilmembers who traveled to Salisbury, England participated at their own expense. He explained the sister-city relationship is ceremonial and he does not see a benefit to the City when taxpayers pay for the travel expense.

Councilmember Alexander agreed with Mr. Miller, and she pointed out she traveled to Salisbury, England several years ago at her own expense. She added Councilmembers receive a monthly travel allowance and a stipend. She indicated it does not seem fair for taxpayers to pay for trips abroad that are cultural opportunities and not for City business. She commented previous Councilmembers traveled to Salisbury, England at their own expense.

Councilmember Sheffield stated she had not been privy to previous conversations. She added if the invitation was received as it was in the past, and there is a process that was followed in the past, she is not privy to that information and does not have an opinion at this point.

Mayor Pro Tem Post noted past procedure should be followed unless Council changes the process. He commented when a Councilmember or City employee has a City credit card, internal controls are needed to validate expenditures.

Mayor Heggins explained she received an official invitation to attend the Mayor Making Ceremony in Salisbury, England. She noted she was told by staff that the trip had never been paid for by the City, and she questioned why but never received an explanation. She added there is no official procedure in place to explain why previous Mayors or other Councilmembers did not request travel reimbursement when they traveled to Salisbury, England. She indicated she requested the travel be covered because she was invited as Mayor. She pointed out the sister-city relationship dates back to 2001 and was developed to promote cultural and commercial ties. She added her husband will accompany her on the trip, and she personally paid for his airline ticket. She reviewed the itinerary for the trip, and she pointed out funds were spent when the City hosted visitors from Salisbury, England in the past.

Councilmember Alexander asked how much money the City has spent on the sister-city relationship since its official inception. Mayor Heggins noted the relationship became official in 2001, and the City has incurred costs of \$7,116.87. Councilmember Alexander clarified the City incurred costs for guests who traveled to Salisbury from England. Ms. Alexander questioned the relevance between the City paying for guests from Salisbury, England and paying for Mayor Heggins to travel to Salisbury, England.

Mayor Heggins stated the relevance is the municipal benefit to the taxpayers and money being spent. Councilmember Alexander suggested Council should not spend City funds to travel to Salisbury, England or for guests to travel to the City. She pointed out if the entire Council traveled to Salisbury, England it would be very expensive for taxpayers.

Mayor Heggins asked if the City should be in a sister-city relationship if it does not want to pay for Councilmembers to travel to Salisbury, England. She pointed out if Council participates in the cultural exchanges at its own expense it is not officially representing the City. She stated she followed City policy regarding travel. Councilmember Alexander asked if the money was taken out of Council's budget without discussing it with Council. Mayor Heggins stated Council has a travel budget that includes a miscellaneous line for unexpected travel. Ms. Alexander noted it is Council's travel and not for the Mayor exclusively.

Mayor Heggins questioned if all of the Mayor's travel needed to come before Council, and she asked why the precedent is being set. She pointed out she asked for the travel to be covered and was not given a reason why the request should be denied. She stated the round trip airline ticket was \$1,060.60 which is in compliance with the policy that requires the most economical mode of travel. Mayor Heggins stated the official sister-city relationship should be honored and previous Councilmembers chose to not seek reimbursement for their travel to Salisbury, England.

Councilmember Alexander stated the travel is inappropriate and the precedent should not be broken. She asked if Council is in consensus to call the question. Councilmember Miller stated he does not agree with the trip and he would never ask citizens to pay for his travel to Salisbury, England, but the policy does not prohibit it. Mayor Pro Tem Post pointed out there are other ways to cover the costs such as contributions.

Mayor Heggins asked if Council is inclined to withdraw from its sister-city relationship with Salisbury, England, and she noted if the issue is money then the City should not spend any money on the relationship. Councilmember Alexander stated she thinks the City paying for the trip is inappropriate and she has heard from many citizens who agree. Mayor Heggins apologized to members of the public who feel the travel is excessive. She added her goal is to honor the role of Mayor, represent the City and engage in the cultural exchange that happens between sister-cities.

Councilmember Miller stated he does not support the City paying for Mayor Heggins trip to Salisbury, England, but he added there is no protocol in writing, and absent of a rule, he requested Council move to other business. Councilmember Sheffield asked that Council move to other business.

Mayor Pro Tem Post asked if the City paid for the travel expense of the guests who came to the City from Salisbury, England. Councilmember Alexander stated the City did not pay the travel expenses for guests from Salisbury, England, and she asked Finance Director Shannon Moore to explain how the funds were used.

Ms. Moore noted the Finance Department found receipts for \$3,116 when visitors from Salisbury, England came in 2010. She explained the receipts were for framed Salisbury, England proclamation, photo books, dinner, and small incidental items. Councilmember Alexander asked if any of the expenses were for travel. Ms. Moore stated the expenses were not for travel.

Mayor Heggins indicated in 2001 when the relationship was established the budget was \$19,000. She stated \$10,000 was covered by the Robertson Foundation, \$5,000 was covered by a grant from the Salisbury Foundation and the City covered the remaining costs.

PRESENTATION – REFINANCING OF FIBRANT DEBT

Finance Director Shannon Moore addressed Council regarding the refinancing of Fibrant debt. She introduced Mr. Richard Marvin, with Stephens, Inc. who presented the results of the Request for Proposals (RFP).

Mr. Marvin noted Stephens, Inc. acted as the City's financial advisor, and he explained the balance on the loan is \$25.37 million. He stated the RFP was distributed and four responses were received with interest rates from 3.84% to 4.35%. He stated First Bank made an offer of 3.84% fixed rate on the full rate of the term to 2029 when the original financing would mature. He added the bid is very marketable and the transaction is callable at any time, in whole or in part. with no pre-payment penalty.

Mr. Marvin pointed out the interest rate is higher than the current 2.06% tax-exempt interest rate. He explained in order for the City to enter into a lease with Hotwire Communications the law requires a referendum and a refinancing from the tax-exempt interest rate to a taxable status. He reviewed the net impact of estimated lease payments based on projections provided by Hotwire Communications, which were also reviewed by Baker Tilley, an independent accounting

firm. He pointed out the overall financial liability of the City is reduced substantially through the process with Hotwire Communications.

Mr. Marvin explained the Local Government Commission (LGC) must approve the financing. He stated the goal is to have a set of documents ready for the LGC's June meeting and if the financing is approved it could be in place by June 12, 2018. He noted if Council approves the commitment by May 25, 2018, First Bank will hold the 3.84% interest rate until July 18, 2018. He added if the loan is not approved by the LGC in June it can be closed in early July 2018 with the 3.84% interest rate.

Mayor Pro Tem Post pointed out before the debt was refinanced in 2016 the interest rate was 5.85% tax exempt and after the refinancing the interest rate will be approximately 2% below where it was two years ago.

Councilmember Alexander asked if action is required of Council. Ms. Moore explained Council will take action at its May 24, 2018 Special Meeting that includes a public hearing.

Mayor Heggins thanked Mr. Marvin and Ms. Moore for their presentation.

UPDATE – BUREAU OF JUSTICE ASSISTANCE (BJA) AND SALISBURY POLICE DEPARTMENT

Police Chief Jerry Stokes reviewed Police Department staffing levels, and he pointed out the Police Department has five vacancies with two potential officers in the background process. He stated as of May 10, 2018 the Police Department conducted 711 foot patrols, approximately five foot patrols per day.

Chief Stokes noted the Community Classroom began last year and the goal is to conduct one session per quarter. He added the first session was held at Livingstone College and the topic was police decision making. He indicated the second session is in the planning stages and will address crime scene investigation. He commented the third quarter session will address what to do if you are involved in a traffic stop and the topic of the fourth quarter Community Classroom will be determined at a later date.

Chief Stokes pointed out the Salisbury Neighborhood Action Group (SNAG) meetings have been reengineered and are being led by a citizen chair person. He stated the SNAG meetings include less statistics and more information and speakers are scheduled based upon the interest of citizens who attend the meetings.

Chief Stokes indicated the Police Advisory Board began in February 2018 and is recruiting members. He stated the Community Action Team was devised from the Community Action Planning Sessions and is working on public safety issues, Police Department staffing, gun crime reduction and community policing.

Chief Stokes reviewed the Police Department's Technology Innovation for Public Safety (TIPS) grant application. He noted the grant is offered by the Bureau of Justice Assistance which is under the United States Department of Justice. He indicated the process is competitive and seven \$500,000 grants will be awarded nationally. He explained the goal is to provide security cameras and license plate reader capability in the area identified as most needing attention through the data analysis conducted by the Office of Justice. He pointed out the Police Department hopes to use grant funds to hire a technical analyst to implement the program and analyze the data that is generated.

Chief Stokes noted Major Shon Barnes will serve as the program manager and the grant will pay a portion of his salary. He reviewed the project focus area that includes Livingstone College and Brenner Crossing which has the most shots fired calls and violent crimes in the City. He explained the goal is to use the technology to reduce crime and identify those responsible.

City Manager Lane Bailey stated the City took a proactive approach and invited the Department of Justice to look at the Police Department and hopefully it will assist with the grant application.

Mayor Pro Tem Post asked if the security cameras will be used for traffic enforcement. Chief Stokes stated the license plate reader and video surveillance cameras will be used for violent crime reduction and not traffic enforcement. Mayor Pro Tem Post asked how many cameras will be purchased. Chief Stokes noted if the City is awarded the grant it would purchase 10 cameras and 10 license plate readers. He pointed out the City can apply to upgrade its system as part of another grant if the current application is successful. Mayor Pro Tem Post noted everything would be in place after the second year, but the City would have to fund the work. Chief Stokes agreed.

Mayor Heggins thanked Chief Stokes for his presentation.

PUBLIC COMMENT

Mayor Heggins opened the floor to receive public comments.

Ms. Andria Cantrell stated the City should pay for Mayor Heggins's airline ticket to Salisbury, England. She noted the City spoke when it elected Mayor Heggins to office.

Ms. Whitney Peckman indicated the City needs a policy regarding Council's travel abroad. She stated there is a municipal and cultural benefit to the City for Mayor Heggins to travel to Salisbury, England, and she supports the City paying for her trip.

Mr. Scott Teamer stated he supports Mayor Heggins right to travel to Salisbury, England. He noted all cultures must be represented by the City.

Ms. Renee MacNutt suggested the City establish a clearly defined travel policy for Council. She stated the City should pay for Mayor Heggins's trip to Salisbury, England.

Mr. Isaac Heggins expressed his support of Mayor Heggins' trip to Salisbury, England.

Ms. Latasha Wilkes noted she also supports Mayor Heggins' trip to Salisbury, England. She pointed out Councilmembers must respect each other. She referenced the City Policy manual which covers City business trips.

Ms. Regina Dancy pointed out Mayor Heggins was invited to Salisbury, England as Mayor of the City, and she supports the City paying for her trip. She questioned how much the trip to Salisbury, England represents in the total budget for Council travel.

Mr. Kim Porter stated he is grateful for Council's engagement and public discussions. He requested Council address its travel policy, and he added Council has a right to spend taxpayer's money to represent the City in another place.

Mr. Howard Doby expressed concern regarding manhole covers and streets in the City that need maintenance. Mayor Pro Tem Post asked Mr. Doby for clarification. Mr. Doby stated Confederate Avenue in the 300 and 400 blocks and Newsome Road need attention.

Mr. Anthony Smith read the definition of micro-aggression, and he pointed out education and awareness must be raised regarding racism.

There being no one else to address Council, Mayor Heggins closed the public comment session.

RECESS

Mayor Heggins made a **motion** to take a seven minute recess and all Councilmembers in attendance agreed unanimously to recess.

The meeting reconvened at 7:00 p.m.

HOUSING REHABILITATION PILOT PROGRAM

Planning Director Janet Gapen reviewed a proposal for a Housing Rehabilitation Pilot Program. She pointed out the program is still in the design phase.

Ms. Gapen explained the Capital Improvement Plan (CIP) includes \$400,000 for housing rehabilitation in the West End community that will be available in the coming fiscal year. She noted the City received grant funding commitments for housing rehabilitation work in other areas of the City. She added the Housing Rehabilitation Pilot Program will:

- Create one framework to implement the grant funds
- Help to implement adopted neighborhood goals related to housing rehabilitation

- Provide highly focused housing improvements to
 - Maximize the impact of the funds
 - Stabilize property values
 - Stimulate additional investment in surrounding areas
 - Improve the appearance of gateways and main corridors into the City
 - Retain and preserve existing housing
 - Assist elderly, special needs and low to moderate income households

Ms. Gapen noted the program would begin in two pilot areas: North Main Street, and the blocks immediately surrounding Salisbury High School. She pointed out the North Main Street Small Area Plan and the West End Transformation Plan address housing rehabilitation for both communities. She added the City has a long standing partnership with the Salisbury Community Development Corporation (CDC) and hopes to partner with them on the program.

Ms. Gapen pointed out North Main Street is a nationally registered and local historic district and historic district design guidelines must be followed. She explained eligible property owners in the startup areas will be notified when the program is ready.

Ms. Gapen noted 99 homes in the North Main Street area and 168 homes in the Salisbury High School area are in need of rehabilitation. She indicated the focus area may need to be readjusted as the program progresses.

Ms. Gapen explained the program would include both owner-occupied and renter-occupied rehabilitation. She reviewed the owner-occupied rehabilitation:

- Limited to exterior rehabilitation
- Maximum grant \$20,000
- Recorded as a deferred mortgage lien and forgivable after five years
 - Provided owner continues to own and occupy the property as a primary residence
- No match required
- Prioritize applications based on income, elderly, special needs households, neighborhood impact
- Income-eligible applicants with more extensive housing needs will be referred to Community Development Block Grant (CDBG) and HOME Program funds

Ms. Gapen then reviewed the renter-occupied rehabilitation:

- Limited to exterior rehabilitation
- Maximum grant \$10,000
- Rental property owner match \$2,500
- Maximum total project costs of \$12,500
- Recorded as deferred mortgage lien and forgivable after 5 years
- Required to rent to low-moderate income households

Ms. Gapen noted a Volunteer Work Day program has been suggested that would be modeled after BlockWork. She reviewed the program funding, and she noted \$400,000 is included in the CIP for the West End area, and a \$100,000 private donation and a \$40,000 grant were designated for the North Main Street and Salisbury High School areas. She pointed out CDBG and HOME Program Funds would be available for more extensive rehabilitation needs. She stated the program is in the planning phase and will begin as soon as possible.

Councilmember Miller questioned why the program includes rental properties and if incentives to encourage absentee landlords to sell to local property owners were considered. Ms. Gapen noted the City has always focused on owner-occupied housing, but there was a desire to encourage landlords to invest in their rental properties which could lead to additional investment in the area. She noted both focus areas have a high number of rental properties.

City Manager Lane Bailey pointed out the grant for owner-occupied properties is twice the amount for renter-occupied properties and the rental-occupied properties require a property owner match. He noted rental properties were included because of the large number of rentals in the proposed grant areas. Councilmember Miller asked if there will be an effort to cluster the City's investment and build one block at a time. Ms. Gapen agreed. She explained staff is working with Centralina Council of Government who provided the program guidelines draft. She commented staff has made adjustments to the draft and is working the CDC to develop and implement the proposed program. Mr. Miller asked if the plan will include a communication strategy. Ms. Gapen agreed.

Councilmember Sheffield asked if the proposed program will use CDBG and HOME Program funds. Ms. Gapen explained if homeowners in the proposed areas have more extensive rehabilitation needs they will be referred to CDBG and HOME Programs. She pointed out low to moderate income home owners in the area are eligible for CDBG and HOME Program funds. Councilmember Sheffield stated she supports the incentives for renter-occupied housing because some citizens cannot afford to purchase a home. Mr. Miller agreed, and he noted all citizens deserve adequate housing.

Mayor Pro Tem Post pointed out the funds can only be used for exterior projects. Ms. Gapen noted CDBG and HOME Program funds can be used for interior projects. Mr. Post asked if clear titles are required to receive grant funding. Ms. Gapen noted staff is working out the details of the program, including title information.

Mayor Heggins asked if CDBG funds can be used for homes that are uninhabitable and to help a family relocate if their home is deemed uninhabitable. Ms. Gapen noted staff can use CDBG funding to assist a family with relocation if the City is going to rehabilitate the home. She noted CDBG funds could possibly be used to help a family with relocation if their home is deemed uninhabitable.

Councilmember Miller requested a separate funding schedule so Council can see how the funds are expended. Ms. Gapen noted staff will track the program results.

Mayor Heggins thanked Ms. Gapen for her presentation.

UPDATE – SUGGESTED RULES OF PROCEDURE

This item was been postponed until the June 19, 2018 Special Council meeting at 4:00 p.m.

PRESENTATION – KKA ARCHITECTURE

Councilmember Alexander stated the City received a request from Mayor Heggins regarding contracts KKA Architecture had with the City since 2005. She noted former Finance Director Teresa Harris performed an audit of KKA Architecture and found no evidence of double billing.

Councilmember Alexander explained the City had a budget of approximately \$4 million for the Customer Service Center and the contract went before Council for approval. She stated after the contract was approved major changes were made to the scope of the project. She pointed out the contract included a clause that allowed her to bill for the extra time, and she commented timesheets were kept for the project.

Councilmember Alexander noted the total cost for the Customer Service Center was \$5,839,584 because the building was larger than anticipated. She explained phone service is an essential service that required stricter building criteria. She stated KKA Architecture was paid \$432,000 for the project and an additional \$35,000 to cover interior design and furnishing. She explained her fee was 7.3% of the project including the scope changes.

Councilmember Alexander pointed out Council recently approved \$8.7 million for Fire Station 3 and Fire Station 6 and Architect Bill Burgin is charging \$.073 for design services. She stated the Customer Service Center was completed in 2008 and she had no idea she would ever be a member of Council. She stated Mr. Burgin's fee is \$635,100. She explained the national average profit margin for architectural firms is 12.9% after expenses are paid. She stated once expenses were paid KKA Architecture made \$55,728 or \$18,390 for 2008, 2009 and 2010. She presented copies of the checks and invoices to Deputy City Clerk Emily Michael.

Councilmember Alexander stated her firm also worked on the Salisbury Police Department building. She noted she has been a member of Council since 2013 and she has done no City projects since that time for compensation. She stated she donated her service for the renovations to Council Chambers.

BOARDS AND COMMISSIONS

There were no appointments.

CITY MANAGER'S REPORT

(a) Presentation – FY2018-2019 Proposed Budget

City Manager Lane Bailey presented the recommended budget for Fiscal Year 2018-2019. He pointed out there has been little growth in the property tax base. He noted voters overwhelmingly supported the lease of Fibrant to Hotwire Communications, and he pointed out the savings to the City will not be fully realized in the first year of the contract. He added the City must cover employee salaries for the first six months of the lease.

Mr. Bailey stated he is recommending a \$.01 increase in the property tax rate. He pointed out the Capital Improvement Plan (CIP) called for a \$.02 increase in the property tax rate, but \$.01 can be avoided because of an increase in sales tax revenue. He stated the General Fund budget includes a salary adjustment for the Public Service Department, \$110,000 for the public works and \$24,000 for Stormwater. He pointed out the City is having a difficult time filling open positions in the Public Services Department. He noted staff is hoping to do something similar for the Fire Department over the next year. He stated the salary adjustment for Public Service employees would begin on July 1, 2018 and the budget includes a cost of living increase of 1.8% and a merit increase of 1.2% for employees.

Mr. Bailey noted the City has a Fund Balance of approximately 40% and the Local Government Commission recommends a minimum of 8%. He pointed out some items in the budget will be funded through the Fund Balance:

- \$250,000 for the Newsome Road Extension to be reimbursed to the City by the North Carolina Department of Transportation (NCDOT) in Fiscal Year 2019-2020
- \$350,000 for software that will assist Planning, Finance and other departments
- \$400,000 for a housing stabilization program
- \$350,000 for the Bell Tower Park
- \$361,000 for roofs and HVAC systems
- \$400,000 for the beginning of the fire station construction
- \$850,000 for a Quint fire truck and police vehicles

Mr. Bailey stated the Water Meter Change-Out Project is near completion and water meters are accurate throughout the City system. He added the City is continuing work at Grant's Creek Waste Water Treatment Plant and the Cane Creek Lift Station. He noted replacing sanitary water and sewer lines is included in the coming year's budget, and the City will continue its public/private partnership regarding incentives for fire lines in downtown residential areas.

Mr. Bailey recommended a 2.15% increase in water and sewer rates based upon the CIP for the urban south which will equate to \$1.45 increase in the average monthly water and sewer bill or \$.05 increase per day.

Mr. Bailey recommended restructuring Stormwater fees to more equally distribute the fee collection between residential and non-residential customers. He explained the restructuring will be more aligned with other communities in the region and most homeowners will see a decrease in their Stormwater fees.

Mr. Bailey pointed out the City is very excited about its partnership with Hot Wire Communications, but he cautioned there will be additional payouts in the coming fiscal year including a \$300,000 principal to debt payment from Fibrant to the Water Sewer Fund and the 1% interest payment that is made annually. He pointed out the General Fund contribution will be slightly reduced from \$3.21 million to \$3 million. He noted broadband revenues will be closely monitored in the coming fiscal year.

Mr. Bailey stated staff will continue to work with the Metropolitan Planning Organization (MPO) and other transit systems regarding the Transit Fund. He suggested staff study the operations, look at alternatives and make a recommendation to Council prior to January 1, 2019. He thanked Finance Director Shannon Moore, Interim Budget Director Anna Bumgarner, Finance Staff and the Management Team for their work on the recommended budget. He pointed out the Budget Ordinance determines the City's spending priorities for the coming fiscal year. He added he is excited to work with Council to develop a budget to meet the City's needs.

Mayor Heggins asked for clarification regarding employee salary adjustments. Mr. Bailey noted employee salary adjustments include a 1.8% cost of living increase and a 1.2% merit increase. Mayor Heggins asked about living wages for employees. Mr. Bailey noted employees below the living wage level are mostly in Public Services and Stormwater with a few possible exceptions. He explained after the wage increase goes into effect July 1, 2018 their salaries will be beyond the living wage for North Carolina which is \$11.70 per hour. Mayor Heggins asked if any employees will be left out. Mr. Bailey stated there may be some part time and summer recreation help that may be under the living wage for North Carolina.

Mr. Bailey asked Council to consider setting a public hearing for June 5, 2018 regarding the recommended budget as required by North Carolina General Statutes.

Thereupon, Councilmember Miller made a **motion** to establish a thirty-day period on June 5, 2018 to allow for public input and to receive a presentation for the Fiscal Year 2018-2019 proposed budget. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

(a) Update – Cheerwine Festival

City Manager Lane Bailey asked Downtown Salisbury, Inc. (DSI) Director Larissa Harper, Parks and Recreation Director Nick Aceves and Communications Director Linda McElroy to provide an update regarding the Cheerwine Festival.

Mr. Aceves noted the family-friendly event will take place Saturday, May 19, 2018 from 10:00 a.m. until 8:00 p.m. rain or shine. He added the proceeds from can drinks sales will be donated to Rowan Helping Ministries and the recycling can proceeds will be donated to Faithful

Friends Animal Sanctuary. He reviewed the event schedule, festival map, parking locations and road closures.

Ms. McElroy noted festival information is listed on the City's website www.salisburync.com/Cheerwine and the DSI mobile app.

ANNOUNCEMENTS

Communications Director Linda McElroy announced the Dixonville-Lincoln Memorial Project Task Force will host "Ministers of Comedy" Thursday, May 17, 2018 at 6:00 p.m. at the Salisbury Civic Center. Come laugh with the community and local pastors. Tickets are \$10 and will be available for purchase at the door. To purchase tickets in advance please call (704) 252-1630 or (704) 645-8710. Ticket sales will benefit the Dixonville-Lincoln Memorial Fund. The event is open to the public.

Communications Director Linda McElroy announced Salisbury Parks and Recreation will host "Movies in the Park" Friday, May 25, 2018 at City Park where the movie "Beauty and the Beast" will begin at 9:00 p.m. The event is free and open to the public, and concessions will be available for purchase. For more information contact Parks and Recreation at 704 -216 -PLAY.

Communications Director Linda McElroy announced 2018 Blockwork event has been scheduled for Saturday, October 27, 2018, on National Make a Difference Day. Applications are now being accepted for neighborhood participation through the Community Planning Office. Applications and guidelines are available online at www.salisburync.gov/Blockwork. All applications are due by June 15, 2018.

COUNCIL COMMENTS

Councilmember Sheffield stated Public Service and Police Department employees touch citizens' lives on a daily basis, and she thanked them for all they do for the City. She also recognized the Engineering Department for quickly addressing concerns regarding poorly maintained traffic boxes. She requested an update on meeting time discussions and interpreters for City Council meetings.

Councilmember Alexander thanked the City crew who removed the tree that fell across Fulton Street near Horah Street.

MAYOR PRO TEM COMMENTS

Mayor Pro Tem Post thanked the voters for supporting the Fibrant referendum. He noted Salisbury is the first city in the United States to build the infrastructure and initiate a public/private partnership.

MAYOR'S COMMENTS

Mayor Heggins announced the first Mayor's Equity Cabinet meeting will be held on June 11, 2018 from 6:00 p.m. until 8:00 p.m. at the Center for Faith and the Arts located at 207 West Harrison Street. She invited the public to attend.

CLOSED SESSION

Mayor Heggins asked for a motion to go into closed session to consult with an attorney as allowed by NCGS 143-318.11(a)(3) and concerning an economic development matter as allowed by BNGS 143-318.11(a)(4).

Thereupon Councilmember Alexander made a **motion** to go into closed session to consult with an attorney as allowed by NCGS 143-318.11(a)(3) and concerning an economic development matter as allowed by BNGS 143-318.11(a)(4). Councilmember Miller seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller and Sheffield voted AYE. (5-0)

RETURN TO OPEN SESSION

Thereupon Councilmember Miller made a **motion** to return to open session. Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (4-0)

Mayor Heggins reported no action was taken during the closed session meeting.

ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Miller and seconded by Councilmember Alexander. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 10:01 p.m.



Al Heggins, Mayor



Diane Gilmore, City Clerk